
SUBSTITUTE SENATE BILL 5772

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kastama, McCaslin, Berkey, Esser, Benton and Kline)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to creating the growth management infrastructure
2 account; amending RCW 43.84.092; reenacting and amending RCW 43.84.092;
3 adding new sections to chapter 36.70A RCW; creating new sections;
4 providing an effective date; and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that population growth
7 in many areas of the state requires new, improved, or additional
8 infrastructure to accommodate growth. The legislature further finds
9 that the needed infrastructure identified in the capital facilities
10 elements of comprehensive plans adopted by counties and cities far
11 exceed the existing funding available to county, city, or state
12 agencies responsible for constructing or operating the needed
13 infrastructure, and that current programs available for local
14 government infrastructure assistance are oversubscribed. The
15 legislature therefore establishes the growth management infrastructure
16 account to assist counties and cities in financing and constructing
17 those infrastructure projects needed to accommodate growth, as
18 identified in the capital facilities elements of growth management
19 plans.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
2 to read as follows:

3 For the purposes of sections 3 and 4 of this act, the following
4 definitions apply:

5 (1) "Basic service" means that level of service necessary to meet
6 only the minimum level of service sufficient to accommodate growth,
7 specifically:

8 (a) For bridge and road projects, a level of service category "c"
9 on a scale of "a" to "f";

10 (b) For domestic water projects, a level of service necessary to
11 meet the minimum standards for water systems as set by the department
12 of health;

13 (c) For sanitary sewer, storm water, and solid waste/recycling
14 projects, a level of service necessary to meet the minimum standards as
15 established by the department of ecology or the department of health.
16 If no such standards exist, the public works board established in
17 chapter 43.155 RCW shall establish such standards; and

18 (d) In no case will project landscaping except for soil erosion
19 control be considered a minimum level of service.

20 (2) "Financial assistance" means loans or loan guarantees.

21 (3) "General purpose local government" means counties, cities, and
22 towns.

23 (4) "Growth infrastructure projects" means the costs of
24 acquisition, construction, reconstruction, rehabilitation, and
25 improvement of those bridges, roads, and domestic water, sanitary
26 sewer, storm sewer, and solid waste/recycling projects necessary to
27 meet the requirements of this chapter.

28 (5) "Special purpose local government" means all local governments
29 as defined in RCW 43.155.020, except counties, cities, and towns.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
31 to read as follows:

32 (1) The growth management infrastructure account is created in the
33 state treasury. Moneys may be placed in the account from the proceeds
34 of bonds when authorized by the legislature or from any other lawful
35 source. The public works board shall use appropriated moneys from the
36 account to provide financial assistance to qualifying local governments
37 for capital costs directly related to providing basic service for

1 growth infrastructure projects necessary to accommodate residential,
2 commercial, and industrial growth. Funds necessary to support the
3 board's costs in administering this act shall be appropriated from the
4 growth management infrastructure account.

5 (2) The public works board, established in chapter 43.155 RCW,
6 shall manage appropriated funds from the account. The board shall have
7 all responsibilities granted to it under RCW 43.155.040, 43.155.080,
8 and 43.155.090 in carrying out the purposes of this section.

9 (3) Existing debt or financial obligations of local governments
10 shall not be refinanced under this chapter unless refinancing enables
11 use of other funds, in like amounts, for growth infrastructure
12 projects. Each local government applicant shall provide documentation
13 of attempts to secure additional local or other sources of funding for
14 projects for which financial assistance is sought under this chapter.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW
16 to read as follows:

17 To qualify for financial assistance local governments must meet the
18 following standards:

19 (1) For general purpose local governments:

20 (a) Be in compliance with the provisions of this chapter;

21 (b) Demonstrate that the growth infrastructure project is necessary
22 to attract or accommodate the planned population and employment growth;

23 (c) Demonstrate that the comprehensive land use plan, the zoning
24 designations, the development regulations, and the capital facilities
25 plan are sufficient to accommodate projected growth; and

26 (d) Other criteria, including a commitment to maintain the growth-
27 related infrastructure, that the board deems necessary to carry out the
28 purposes of this chapter.

29 (2) For special purpose local governments:

30 (a) Demonstrate that the local government has a capital facilities
31 plan meeting standards established by the board;

32 (b) Demonstrate that the growth infrastructure project is necessary
33 to attract or accommodate the planned population and employment growth;

34 (c) Demonstrate that the capital facilities plan is compatible with
35 the comprehensive land use plan, zoning designations, and the

1 development regulations of the overlying general purpose local
2 government or governments; and

3 (d) Other criteria, including a commitment to maintain the growth-
4 related infrastructure, that the board deems necessary to carry out the
5 purposes of section 3 of this act and this section.

6 NEW SECTION. **Sec. 5.** Nothing in sections 3 and 4 of this act
7 precludes the local government from using local funds in combination
8 with financial assistance provided under this act to construct a
9 project in excess of the minimum level financed under this act.

10 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
11 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
12 follows:

13 (1) All earnings of investments of surplus balances in the state
14 treasury shall be deposited to the treasury income account, which
15 account is hereby established in the state treasury.

16 (2) The treasury income account shall be utilized to pay or receive
17 funds associated with federal programs as required by the federal cash
18 management improvement act of 1990. The treasury income account is
19 subject in all respects to chapter 43.88 RCW, but no appropriation is
20 required for refunds or allocations of interest earnings required by
21 the cash management improvement act. Refunds of interest to the
22 federal treasury required under the cash management improvement act
23 fall under RCW 43.88.180 and shall not require appropriation. The
24 office of financial management shall determine the amounts due to or
25 from the federal government pursuant to the cash management improvement
26 act. The office of financial management may direct transfers of funds
27 between accounts as deemed necessary to implement the provisions of the
28 cash management improvement act, and this subsection. Refunds or
29 allocations shall occur prior to the distributions of earnings set
30 forth in subsection (4) of this section.

31 (3) Except for the provisions of RCW 43.84.160, the treasury income
32 account may be utilized for the payment of purchased banking services
33 on behalf of treasury funds including, but not limited to, depository,
34 safekeeping, and disbursement functions for the state treasury and
35 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for
2 payments to financial institutions. Payments shall occur prior to
3 distribution of earnings set forth in subsection (4) of this section.

4 (4) Monthly, the state treasurer shall distribute the earnings
5 credited to the treasury income account. The state treasurer shall
6 credit the general fund with all the earnings credited to the treasury
7 income account except:

8 (a) The following accounts and funds shall receive their
9 proportionate share of earnings based upon each account's and fund's
10 average daily balance for the period: The capitol building
11 construction account, the Cedar River channel construction and
12 operation account, the Central Washington University capital projects
13 account, the charitable, educational, penal and reformatory
14 institutions account, the common school construction fund, the county
15 criminal justice assistance account, the county sales and use tax
16 equalization account, the data processing building construction
17 account, the deferred compensation administrative account, the deferred
18 compensation principal account, the department of retirement systems
19 expense account, the drinking water assistance account, the drinking
20 water assistance administrative account, the drinking water assistance
21 repayment account, the Eastern Washington University capital projects
22 account, the education construction fund, the election account, the
23 emergency reserve fund, The Evergreen State College capital projects
24 account, the federal forest revolving account, the growth management
25 infrastructure account, the health services account, the public health
26 services account, the health system capacity account, the personal
27 health services account, the state higher education construction
28 account, the higher education construction account, the highway
29 infrastructure account, the industrial insurance premium refund
30 account, the judges' retirement account, the judicial retirement
31 administrative account, the judicial retirement principal account, the
32 local leasehold excise tax account, the local real estate excise tax
33 account, the local sales and use tax account, the medical aid account,
34 the mobile home park relocation fund, the multimodal transportation
35 account, the municipal criminal justice assistance account, the
36 municipal sales and use tax equalization account, the natural resources
37 deposit account, the oyster reserve land account, the perpetual
38 surveillance and maintenance account, the public employees' retirement

1 system plan 1 account, the public employees' retirement system combined
2 plan 2 and plan 3 account, the public facilities construction loan
3 revolving account beginning July 1, 2004, the public health
4 supplemental account, the public works assistance account, the Puyallup
5 tribal settlement account, the regional transportation investment
6 district account, the resource management cost account, the site
7 closure account, the special wildlife account, the state employees'
8 insurance account, the state employees' insurance reserve account, the
9 state investment board expense account, the state investment board
10 commingled trust fund accounts, the supplemental pension account, the
11 Tacoma Narrows toll bridge account, the teachers' retirement system
12 plan 1 account, the teachers' retirement system combined plan 2 and
13 plan 3 account, the tobacco prevention and control account, the tobacco
14 settlement account, the transportation infrastructure account, the
15 tuition recovery trust fund, the University of Washington bond
16 retirement fund, the University of Washington building account, the
17 volunteer fire fighters' and reserve officers' relief and pension
18 principal fund, the volunteer fire fighters' and reserve officers'
19 administrative fund, the Washington fruit express account, the
20 Washington judicial retirement system account, the Washington law
21 enforcement officers' and fire fighters' system plan 1 retirement
22 account, the Washington law enforcement officers' and fire fighters'
23 system plan 2 retirement account, the Washington school employees'
24 retirement system combined plan 2 and 3 account, the Washington state
25 health insurance pool account, the Washington state patrol retirement
26 account, the Washington State University building account, the
27 Washington State University bond retirement fund, the water pollution
28 control revolving fund, and the Western Washington University capital
29 projects account. Earnings derived from investing balances of the
30 agricultural permanent fund, the normal school permanent fund, the
31 permanent common school fund, the scientific permanent fund, and the
32 state university permanent fund shall be allocated to their respective
33 beneficiary accounts. All earnings to be distributed under this
34 subsection (4)(a) shall first be reduced by the allocation to the state
35 treasurer's service fund pursuant to RCW 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The aeronautics account,

1 the aircraft search and rescue account, the county arterial
2 preservation account, the department of licensing services account, the
3 essential rail assistance account, the ferry bond retirement fund, the
4 grade crossing protective fund, the high capacity transportation
5 account, the highway bond retirement fund, the highway safety account,
6 the motor vehicle fund, the motorcycle safety education account, the
7 pilotage account, the public transportation systems account, the Puget
8 Sound capital construction account, the Puget Sound ferry operations
9 account, the recreational vehicle account, the rural arterial trust
10 account, the safety and education account, the special category C
11 account, the state patrol highway account, the transportation 2003
12 account (nickel account), the transportation equipment fund, the
13 transportation fund, the transportation improvement account, the
14 transportation improvement board bond retirement account, and the urban
15 arterial trust account.

16 (5) In conformance with Article II, section 37 of the state
17 Constitution, no treasury accounts or funds shall be allocated earnings
18 without the specific affirmative directive of this section.

19 **Sec. 7.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to read
20 as follows:

21 (1) All earnings of investments of surplus balances in the state
22 treasury shall be deposited to the treasury income account, which
23 account is hereby established in the state treasury.

24 (2) The treasury income account shall be utilized to pay or receive
25 funds associated with federal programs as required by the federal cash
26 management improvement act of 1990. The treasury income account is
27 subject in all respects to chapter 43.88 RCW, but no appropriation is
28 required for refunds or allocations of interest earnings required by
29 the cash management improvement act. Refunds of interest to the
30 federal treasury required under the cash management improvement act
31 fall under RCW 43.88.180 and shall not require appropriation. The
32 office of financial management shall determine the amounts due to or
33 from the federal government pursuant to the cash management improvement
34 act. The office of financial management may direct transfers of funds
35 between accounts as deemed necessary to implement the provisions of the
36 cash management improvement act, and this subsection. Refunds or

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

3 (3) Except for the provisions of RCW 43.84.160, the treasury income
4 account may be utilized for the payment of purchased banking services
5 on behalf of treasury funds including, but not limited to, depository,
6 safekeeping, and disbursement functions for the state treasury and
7 affected state agencies. The treasury income account is subject in all
8 respects to chapter 43.88 RCW, but no appropriation is required for
9 payments to financial institutions. Payments shall occur prior to
10 distribution of earnings set forth in subsection (4) of this section.

11 (4) Monthly, the state treasurer shall distribute the earnings
12 credited to the treasury income account. The state treasurer shall
13 credit the general fund with all the earnings credited to the treasury
14 income account except:

15 (a) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's and fund's
17 average daily balance for the period: The capitol building
18 construction account, the Cedar River channel construction and
19 operation account, the Central Washington University capital projects
20 account, the charitable, educational, penal and reformatory
21 institutions account, the common school construction fund, the county
22 criminal justice assistance account, the county sales and use tax
23 equalization account, the data processing building construction
24 account, the deferred compensation administrative account, the deferred
25 compensation principal account, the department of retirement systems
26 expense account, the drinking water assistance account, the drinking
27 water assistance administrative account, the drinking water assistance
28 repayment account, the Eastern Washington University capital projects
29 account, the education construction fund, the election account, the
30 emergency reserve fund, The Evergreen State College capital projects
31 account, the federal forest revolving account, the growth management
32 infrastructure account, the health services account, the public health
33 services account, the health system capacity account, the personal
34 health services account, the state higher education construction
35 account, the higher education construction account, the highway
36 infrastructure account, the industrial insurance premium refund
37 account, the judges' retirement account, the judicial retirement
38 administrative account, the judicial retirement principal account, the

1 local leasehold excise tax account, the local real estate excise tax
2 account, the local sales and use tax account, the medical aid account,
3 the mobile home park relocation fund, the multimodal transportation
4 account, the municipal criminal justice assistance account, the
5 municipal sales and use tax equalization account, the natural resources
6 deposit account, the oyster reserve land account, the perpetual
7 surveillance and maintenance account, the public employees' retirement
8 system plan 1 account, the public employees' retirement system combined
9 plan 2 and plan 3 account, the public facilities construction loan
10 revolving account beginning July 1, 2004, the public health
11 supplemental account, the public works assistance account, the Puyallup
12 tribal settlement account, the regional transportation investment
13 district account, the resource management cost account, the site
14 closure account, the special wildlife account, the state employees'
15 insurance account, the state employees' insurance reserve account, the
16 state investment board expense account, the state investment board
17 commingled trust fund accounts, the supplemental pension account, the
18 Tacoma Narrows toll bridge account, the teachers' retirement system
19 plan 1 account, the teachers' retirement system combined plan 2 and
20 plan 3 account, the tobacco prevention and control account, the tobacco
21 settlement account, the transportation infrastructure account, the
22 tuition recovery trust fund, the University of Washington bond
23 retirement fund, the University of Washington building account, the
24 volunteer fire fighters' and reserve officers' relief and pension
25 principal fund, the volunteer fire fighters' and reserve officers'
26 administrative fund, the Washington fruit express account, the
27 Washington judicial retirement system account, the Washington law
28 enforcement officers' and fire fighters' system plan 1 retirement
29 account, the Washington law enforcement officers' and fire fighters'
30 system plan 2 retirement account, the Washington public safety
31 employees' plan 2 retirement account, the Washington school employees'
32 retirement system combined plan 2 and 3 account, the Washington state
33 health insurance pool account, the Washington state patrol retirement
34 account, the Washington State University building account, the
35 Washington State University bond retirement fund, the water pollution
36 control revolving fund, and the Western Washington University capital
37 projects account. Earnings derived from investing balances of the
38 agricultural permanent fund, the normal school permanent fund, the

1 permanent common school fund, the scientific permanent fund, and the
2 state university permanent fund shall be allocated to their respective
3 beneficiary accounts. All earnings to be distributed under this
4 subsection (4)(a) shall first be reduced by the allocation to the state
5 treasurer's service fund pursuant to RCW 43.08.190.

6 (b) The following accounts and funds shall receive eighty percent
7 of their proportionate share of earnings based upon each account's or
8 fund's average daily balance for the period: The aeronautics account,
9 the aircraft search and rescue account, the county arterial
10 preservation account, the department of licensing services account, the
11 essential rail assistance account, the ferry bond retirement fund, the
12 grade crossing protective fund, the high capacity transportation
13 account, the highway bond retirement fund, the highway safety account,
14 the motor vehicle fund, the motorcycle safety education account, the
15 pilotage account, the public transportation systems account, the Puget
16 Sound capital construction account, the Puget Sound ferry operations
17 account, the recreational vehicle account, the rural arterial trust
18 account, the safety and education account, the special category C
19 account, the state patrol highway account, the transportation 2003
20 account (nickel account), the transportation equipment fund, the
21 transportation fund, the transportation improvement account, the
22 transportation improvement board bond retirement account, and the urban
23 arterial trust account.

24 (5) In conformance with Article II, section 37 of the state
25 Constitution, no treasury accounts or funds shall be allocated earnings
26 without the specific affirmative directive of this section.

27 NEW SECTION. **Sec. 8.** Section 6 of this act expires July 1, 2006.

28 NEW SECTION. **Sec. 9.** Section 7 of this act takes effect July 1,
29 2006.

--- END ---